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U.S. BANKRUPTCY COURT
DISTRICT OF DELAWARE

Francesco Baldassarri & Reset Srl
Via Milana 43
40026 Imola (BO)
Italy

5th January 2024

Honorable Judge John Dorsey

824 N Market St
5th Floor, Courtroom 5
Wilmington, DE 19801
302-533-3169

Dear Honorable Judge John Dorsey,

I am writing to you as a creditor in the FTX bankruptcy case, residing outside of the United States. As one among many who have experienced substantial financial loss due to my deposits on FTX for two different accounts (Reset Srl and Francesco Baldassarri), I wish to express my concerns regarding the current management of the FTX estate, particularly in the valuation of crypto assets for claim purposes.

The decision to use the values of crypto assets as of the petition date to calculate claims is, in my view, deeply unfair and inequitable. This approach fails to consider the volatile nature of cryptocurrency markets, where the value of assets can fluctuate widely in a short period. Valuing these assets at the petition date could result in a significant undervaluation, not reflective of their true worth or the potential recovery for creditors like myself.

While I appreciate the methodology applied to value assets like FTT, SRM, MAPS, and OXY, I am concerned that other assets such as BTC, ETH, and SOL have experienced significant increases in value since the petition date. This appreciation is not considered in the current valuation methodology, leading to a disparity in how different assets are treated.

Bankruptcy law, with its various provisions and interpretive case law, centers on achieving equitable outcomes. The circumstances surrounding FTX and its creditors necessitate an application of these principles to ensure a fair and just resolution. This principle allows the court to value claims based on fairness, especially when circumstances have significantly changed.

The principle of fairness should be at the forefront of this bankruptcy proceeding. Creditors have a rightful claim to the value of their assets, which should be appraised at fair market value. The current approach undermines this principle and disproportionately disadvantages FTX clients, who are forced to accept values that do not accurately reflect the current market conditions.



I remind you that as indicated in the Terms and Conditions of the platform, on paragraph 8.2 "Digital Asset"

8.2.6

A) "Title to your Digital Assets shall at all times remain with you and shall not transfer to FTX Trading."

B) "None of the Digital Assets in your Account are the property of, or shall or may be loaned to, FTX Trading; FTX Trading does not represent or treat Digital Assets in User's Accounts as belonging to FTX Trading."

C) "You control the Digital Assets held in your Account. At any time, subject to outages, downtime, and other applicable policies (including the Terms), you may withdraw your Digital Assets by sending them to a different blockchain address controlled by you or a third party."

I do not find it correct that a valuation is set on the day of the presentation of chapter 11 with consequent liquidation, since the assets are owned by the users and were taken without consent by the CEO for speculative business, violating the TOS.

Clients were not investors, but clients who used the platform for trades.

I request that my assets be refunded to me as native assets and not at the value of the November 2022 petition

8.2 Digital Assets

8.2.1 The Platform supports deposits and withdrawals of certain Digital Assets, including but not limited to, Digital Assets supported such as a "USD Stablecoin". You may deposit Digital Assets that already reside in your Account by generating an address within your Account and sending your Digital Assets to such address, after which they should appear in your Account balance (USD Stablecoins will appear in your "USD Stablecoins (USD)" balance).

8.2.2 You may purchase Digital Assets in exchange for certain supported fiat currencies (depending on your location) by linking a valid payment method to your Account. In such circumstances, you authorise us to debit the relevant amount of fiat currency using your selected payment method(s) to complete your purchase.

8.2.3 The Platform enables you to exchange one Digital Asset for another Digital Asset, send Digital Assets to and receive Digital Assets from other Users of the Services, or third parties outside of the Platform (where permitted by FTX Trading in its sole discretion).

8.2.4 You may sell Digital Assets in exchange for certain supported fiat currencies (depending on your location). In such circumstances, you authorise us to debit your Account and to send instructions to credit your selected payment method(s) in settlement of sell transactions.

8.2.5 FTX Trading makes no representations or warranties regarding the amount of time, transaction fees or other requirements that may be required to complete the transfer of your Digital Assets to or from a third party wallet or other source and for said Digital Assets to become available in your Account.

8.2.6 All Digital Assets are held in your Account on the following basis:

- (A) Title to your Digital Assets shall at all times remain with you and shall not transfer to FTX Trading. As the owner of Digital Assets in your Account, you shall bear the risk of loss of such Digital Assets. FTX Trading shall have no liability for fluctuations in the fair currency value of Digital Assets held in your Account.
- (B) None of the Digital Assets in your Account are the property of, or shall or may be loaned to, FTX Trading. FTX Trading does not represent or treat Digital Assets in User's Accounts as belonging to FTX Trading.
- (C) You control the Digital Assets held in your Account. At any time, subject to outages, downtime, and other applicable policies (including the Terms), you may withdraw your Digital Assets by sending them to a different blockchain address controlled by you or a third party.

8.2.7 FTX Trading is under no obligation to issue any replacement Digital Asset in the event that any Digital Asset password or private key is lost, stolen, malfunctioning, destroyed, or otherwise inaccessible.

8.2.8 It is your responsibility to ensure that you send all Digital Assets to the correct address and for you to correctly manage your Digital Assets with respect to any Digital Assets that you send to the Platform. If you send a Digital Asset to an address that does not correspond to that exact Digital Asset (such as an address not associated with your Account or the specific Digital Asset sent), such Digital Asset may be lost forever. By sending any Digital Assets to the Platform, you attest that you will only send a supported Digital Asset to the Platform wallet address and not for example, if you are using an Ethereum Platform wallet address to receive funds, you attest that you are not initiating a swap transaction of Ethereum alone, and not any other form of Digital Assets. You agree that FTX Trading incurs no obligation whatsoever with regards to sending unsupported Digital Assets to an address provided to you on the Platform. Similarly, if you



I respectfully request that the court reconsiders the method used for valuing crypto assets in the FTX bankruptcy case. It is crucial for the integrity of this process and the fair treatment of all creditors involved that assets are valued in a manner that truly reflects their worth in a dynamic and rapidly changing market.

Finally, I would like to draw your attention to another large crypto bankruptcy, which, based upon my experience, is quite similar to the current circumstances of FTX. It's Mt. Gox, who lost 90% of client Bitcoin when they registered for bankruptcy in Japan in 2014. As Bitcoin's price rose, creditors surpassed the threshold of being fully compensated in USD value. However, with the substantial growth in Bitcoin value, the diminishing quantity of Bitcoin needed for USD full recovery adversely impacted creditors' Bitcoin recoveries. Opportunistically, as the price rose, subordinated creditors started delaying exit to try and pay creditors off in USD and opportunistically come after the creditors estate. Each attempt led to years of delay and eventually creditors were entitled to the same recovery minus all the administrative costs due to long expensive delays significantly harming their recovery.

Thank you for your attention to this matter. I trust that the court will make a decision that upholds the principles of fairness and equity for all parties involved in this case.

Sincerely,

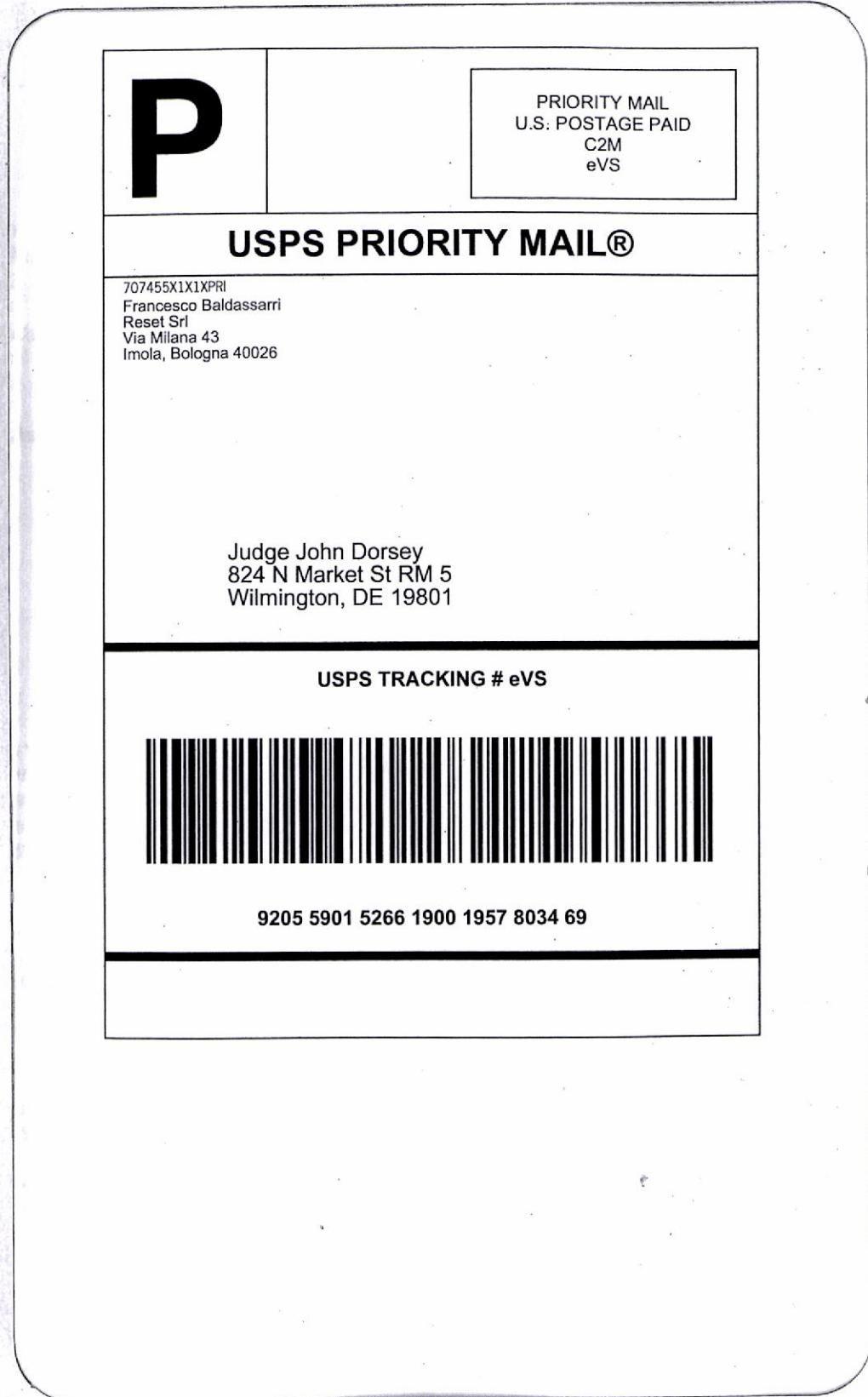
Francesco Baldassarri & Reset Srl





EP14W July 2022

FLAT RATE ENVELOPE
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PRESS FIRMLY TO SEAL



PRESS FIRMLY TO SEAL

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